

Notice to Shareholders

Official Tabulated Voting Results for 2023:

As per tabulated voting results by Redlands Water and Power's Shareholders the 2023 assessment is set at \$210.00 per share and assessments will be mailed out in the coming week.

Results are as follows: *We received 54.9% of votable shares back, which exceeds the 25% (1/4) required to meet our quorum.

- Votes "For" the Assessment increase 61%*
- Votes "Against" Assessment increase 39%

Director Voting Results:

Pete Dicks was re-elected as 2nd lift Director and will serve a 3-year term ending January 2026.

- Votes: FOR: 82%, AGAINST: 18%

Chuck Guenther was re-elected as Power Canal Director and will serve a 3-year term ending January 2026.

- Votes: FOR: 83%, AGAINST: 17%

2023 IRRIGATION SEASON WATER-IN UPDATE:

THE WATER IN DATE FOR 2023 HAS BEEN SET FOR MONDAY, APRIL 17TH, 2023. Pending weather or circumstances, the main canals will be flushed during the week prior to the above date. We recommend keeping your lines closed until 24 hours after the water has been turned on to reduce silt and debris from plugging your systems.

What to know: Once the water passes through the headgate it becomes the shareholder's responsibility for the water and the maintenance of the system the water flows through. Irrigation water is untreated and unfiltered. It is the shareholder's responsibility to filter the water as needed.

Thank you to those Shareholders who returned their vote/proxy! RW&PC will continue to work in providing you, our Shareholders, the water delivery you have become accustomed to over the last 110 years to the Redlands Area. As you may know the Western Slope of Colorado, particularly the Gunnison Basin, has an above normal snowpack to this point. We all are hoping that trend continues through April this year and the years to come. But also

Please help us here at RW&PC by keeping us updated with your contact information and emails so that we can provide you with any urgent or new information to help you manage your irrigation systems properly and efficiently, and by only taking the water needed to irrigate for your agricultural or livestock needs.

Help us help you by:

- Updated Homeowner Association contact information.
- Shareholder email and/or phone number in the event we need to contact you.
- Information if you are the contact on a headgate with a lateral for other shareholders.
- You can pay with a credit card if you visit our website at www.redlandswpc.com and click the blue PAY ONLINE button.
- Look on our website for updates and other useful information at www.redlandswpc.com

Important Dates:

APRIL 17th, 2023 Water goes in the ditches (subject to change due to weather).

MAY 1st, 2023 All Annual Assessments are due, unpaid shares will be forfeited.

October 17th, 2023 Planned water will be taken OUT of the ditches for winterization (subject to change).

NOVEMBER 1st, 2023 .. All unpaid shares declared forfeited.

DECEMBER 8th, 2023 ...All forfeited Shares will be sold at Auction (if applicable)

FAQ's

If you are new to the area and own or rent property adjacent to one of the 26+ miles of Redlands Water and Power Company (RW&PC) Lift Canals, Pipelines or Properties owned and operated by RW&PC we believe it is important for you to know what that entails. So, we comprised a few FAQs below to help you, and RW&PC, safely maintain your community's irrigation water delivery.

Q: What if I want to build close to, excavate by, or cross over a water canal or pipe?

RW&PC requires delivery and review of current plans and specifications for the contemplated project that will encroach their easement and water delivery system (i.e., on Toe of Slope or Backslope of supporting embankment, typically within 25' of high-water edge or width required to operate, maintain, or repair the canal system caused by or arising from any crucial circumstance). This may include additional studies, reports, and analyses for this project by the owner, developer, or utility.

Before any work on-site, RW&PC also requires an agreement to reimburse RW&PC for its consulting and professional review fees should RW&PC require it. Assuming the project meets with RW&PC's approval, RW&PC will provide and require a formal agreement to reflect the terms, conditions, and requirements for any alteration or changes of the canal or water delivery system and easement.

Also, know that a Colorado 811 "Positive Response" does NOT constitute the contemplated project has the authority or license to proceed without the required information above. **CALL BEFORE YOU DIG!**

Q: So, what are the easements for the canals, pipes, and properties RW&PC owns and services?

The RW&PC benchmark is whatever width is reasonable or necessary to access and operate, maintain, and repair the canals including, but not limited to;

- A. The base (or toe) of the slope of any supporting embankment.
- B. Any recorded or actual easements, whichever is greater.
- C. Any width required to operate, maintain, or repair the canal system caused by or arising from any crucial circumstance.
- D. Any backslope (uphill) stability of any supporting embankment above a canal or pipeline.

If you are contemplating a project within 30-feet there's a good chance that it needs to conform to RW&PC's easement for this area, which is reasonably necessary for the convenient and proper use and maintenance of the ditch or water delivery system. The landowner cannot erect a fence, gate, or structure on or across the easement, nor can he otherwise place an obstruction within the easement without following the process stated above. Also, know that other examples of unpermitted encroachments may include overhanging trees or roof lines of structures.

Q: Can I use the canal or pipeline roadways?

The access roads along the canals are private property for both the Company, which owns the easements and the property owners owning the lands burdened by the Company's easements. Neither the canals, the access roads, or any related facility are open to the public for any type of transportation or other use including pedestrian use, horseback riding, four-wheelers and other RV's, motorcycles, bicycles, or any kind of motorized or non-motorized vehicle.

any other shareholder concerns. The Board of Directors meetings are held monthly. This non-profit corporation is governed by the By-Laws of the company, and Colorado corporate law.

A canal or ditch is running across my property, so can I use some of this water to irrigate?

Sorry, but no. Only Shareholders who are current in their assessments have a legal right to use the canal or ditch water by means of the company's By-Laws. It is hard to see that water right there and not use it but remember there are heavy fines and potential incarceration for theft of water, so do not do it!

Can I use the canal, ditch, or pipeline roadways?

The access roads along the canals are private property for both the Company, which owns the easements, and the property owners owning the lands burdened by the Company's easements. Neither the canals, the access roads, nor any related facility is open to the public for any type of transportation or other use including pedestrian use, horseback riding, four-wheelers and other RV's, motorcycles, bicycles, or any kind of motorized or non-motorized vehicle. **WARNING! Trespassing may lead to injury or death, stay off the canal roads, please!** There is plenty of other designated trails available in the valley to use that are not within the easements of canals, siphons, or waterways.

Is it okay to install a fence or plant my garden or trees next to the canal or ditch?

According to state statutes, the irrigation ditch company may use as much land along the canals, pipelines, and ditch banks as they need for the maintenance of those conveyance structures and systems within their easements. And that means both sides. Do not be surprised if you see heavy equipment going along the ditch banks or the spoils of cleaning operations placed on the ditch bank. Typically, any structures or plantings within 25 feet of the edge of a canal or ditch are usually prohibited as well as crossings. There is a lot more on this so keep reading.

What can I change or build next to the canals or ditches as a property owner?

You cannot move alter or make changes within the easements of the RW&PC water systems of canals or ditches without consent from RW&PC. As a landowner adjacent to these canals and ditches you must contact RW&PC before any modifications (*fences, gates, trees, shrubs, sheds, retaining walls, decks, patios, etc.*) are started and provide a written request by you, along with details of what and where you want these changes. You will also need to provide signed and executed agreements with RW&PC before any project or changes are approved including a detailed agreement reflecting what the developer or owner is contemplating and responsible for. Do not start any modifications or alterations adjacent or on these easements before agreements are fully executed, otherwise, they can be removed at your expense! **DO NOT MODIFY ANYTHING WITHOUT PROPER AGREEMENTS IN PLACE FIRST!**

So why can't we use the canal and ditch roads?

Some folks are under the misimpression that if the canals are subject to a dedication in a subdivision plat that allows public use for recreational, transportation, or other use, whether motorized or non-motorized, then the canal and their access roads are available for the public's use. However, every dedication is subject to the City of Grand Junction's policy that the canal dedications are not open for use by the public unless or until the canal companies, including RW&PC, consent to such use. RW&PC has never consented to any public use of its canals, access roads, or any other feature or facility of the canals. It is trespassing folks, and subject to fines so please stay off the roads.

These are just some of the typical questions we receive at RW&PC and we would be glad to answer your questions or concerns by contacting us at our office which is open **Monday to Thursday from 7 to 5:30 pm located at 2216 S. Broadway (Redlands Parkway) or by calling us at (970) 243-2173, or by email at info@redlandswpc.com.**

For over 110 years RW&PC has been "Committed to delivering irrigation water and clean hydropower electricity for a greener environment" to the Redlands area while working to maintain this valuable resource in an ever-changing and demanding environment. It is RW&PC's hope that through the cooperation of landowners, the public, and shareholders the challenges RW&PC faces can be overcome with your support so that RW&PC will continue delivering water to its shareholders for another 100 years.

Some Frequently Asked Questions and answers that clear up some “muddy water,” so to speak.

First, Beware!! Canals, ditches, pipes, and siphons are very unsafe, and no one, especially children should play in or near them! The canals and roadways are NOT for public access.

Does my property have irrigation water, or is the water owned by someone?

The Redlands Water and Power Company water shares are NOT attached to the property, the Shareholder individuals own them themselves by a Stock Certificate and must be transferred by the individual(s) to the new property owner through Redlands Water and Power Company, and some fees are required to do so. Each water share must be paid annually through assessments billed to the shareholder.

Where is my water coming from?

Redlands Water and Power Company's water comes directly from the diversion point at the Gunnison River where up to 850 cubic feet per second of water is diverted in the Power Canal and then travels approximately 2.7 miles to the Hydropower Plant and Pump Station #1 (main pumps). Pending where you are located, the water may go through two more pump stations and travel over 26 miles through the canals, 8 siphons, flume, and pipes before reaching your headgate. Very few in the region require pump stations that raise the water over 200 feet above the Gunnison River, at the highest point.

What if my property is in a subdivision?

Most commonly a homeowner in a subdivision pays for their irrigation water through their Homeowners Association (HOA). In most subdivisions one or two headgates are serving that subdivision, there should be a designated irrigation water person who manages the water for the entire subdivision and its laterals. It is up to you to know who that person is and where that lateral and valves are. Subdivisions will often have a shared rotation schedule.

Do I share a headgate, and what if I do?

Where several shareholders share a headgate, the principle of cooperative delivery also applies. It is your responsibility to know which headgate and lateral you receive your water from. Having a list of those individuals and contact numbers who are on the same headgate or lateral is recommended and is not the responsibility of RW&PC.

Who controls the water getting to me and how does it get to my property?

RW&PC provides the water and control of the Power Canal, Lift Canals, and Subsidiary Canals of the Corporation to the headgates and delivery structures for the shareholder subject to some limitations. It is the shareholder's responsibility to provide their specific ditch or laterals necessary to ultimately deliver the water to the shareholder's property. Notwithstanding anything to the contrary in this but RW&PC may refuse to deliver water through any segment of the Canal System that has not been capable of delivering water for a substantial period of time as determined by the Board of Directors in their sole and absolute discretion including, but not limited to disuse or abandonment.

How much water is one share of water?

RW&PC's one share is 3.80 gallons per minute (GPM) for the 1st, 2nd, and 3rd Lift Canals, which is 233.40 gallons per hour (GPH). For the Power Canal, a share is 5.84/GPM or 350.40/GPH. Actually, a Lift Canal stock, one-third (1/3) of a miner's inch or a statute inch of water, or a pro-rata share of the water in the Lift Canal System and the Power Canal stock, one-half (1/2) of a miner's inch or a statute inch of water, or a pro-rata share of the water in the Power Canal System. There will not be a test on this, but only use what is needed and no more than your share. There is a drought happening you know!

How does my ditch and irrigation water company operate?

The RW&PC is a non-profit corporation established to deliver water to its shareholders' headgates. RW&PC company has a board of directors, a manager/superintendent, an operations manager, and an office manager to manage the office business, several ditch riders, and power plant and pump operators who control and maintain the actual water flow and infrastructure. An annual shareholder meeting is held to elect directors, establish the budget, and discuss